

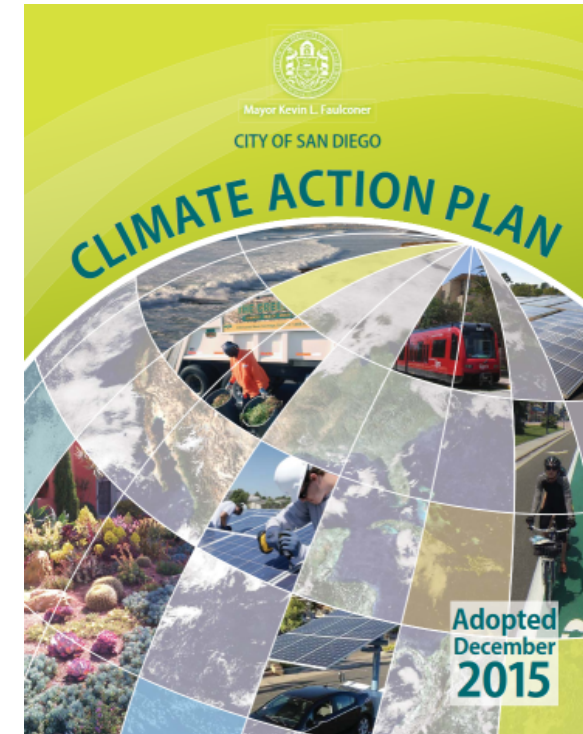
Office of the City Auditor

Performance Audit of the City's Climate Action Plan

Presentation to the City Council
July 12, 2021

Background

- The Climate Action Plan (CAP) is a flexible plan that contains a comprehensive set of goals, actions, and targets that the City can use to reduce GHG emissions.
- Implementation of the CAP intends to provide ancillary benefits, such as job creation, improved health, economic opportunities, climate equity, and cost savings to the City and its residents.



Source: City of San Diego

Background

- The CAP includes five strategies for achieving GHG reduction targets:
 1. Energy and water efficient buildings;
 2. Clean and renewable energy;
 3. Bicycling, walking, transit, and land-use;
 4. Zero waste; and
 5. Climate resiliency
- CAP implementation is interwoven throughout many City departments and function within City operations.

Exhibit 2

The CAP annual report identifies baseline and target figures for City measures across each of the CAP's five strategies.

STRATEGY 1		2010 Baseline	2020 Target	2035 Target
STRATEGY 1	Reduce residential energy use	5000 kW, 300 therms	15% energy use reduction from baseline in 20% of units	15% energy use reduction from baseline in 50% of units
	Reduce municipal energy use	205 million kW, 3 million therms	15% reduction from baseline	25% reduction from 2020 goal
	Reduce per capita water use	128 gallons per capita per day (GPCD)	117 GPCD	105 GPCD
STRATEGY 2	Achieve 100% renewable energy citywide	11% renewable energy content	N/A	100% renewable energy content
	Increase municipal zero-emission vehicles (ZEV)	0% ZEVs in municipal fleet	50% ZEVs in municipal fleet	90% ZEVs in municipal fleet
	Convert to compressed natural gas (CNG) waste trucks	0% CNG waste trucks in operation	N/A	100% CNG waste trucks in operation
STRATEGY 3	Increase use of mass transit	4% commuter transit modeshare	12% commuter transit modeshare	25% commuter transit modeshare
	Increase commuter walking opportunities	3.5% pedestrian commuter modeshare	4% pedestrian commuter modeshare	7% pedestrian commuter modeshare
	Increase commuter bicycling opportunities	2% bicyclist commuter modeshare	6% bicyclist commuter modeshare	18% bicyclist commuter modeshare
	Retime traffic signals and install roundabouts	40 traffic signals per year, 0 roundabouts	200 traffic signals retimed, 15 roundabouts installed	35 roundabouts installed
	Reduce vehicle miles traveled	25 miles per day commute distance	N/A	23 miles per day commute distance
STRATEGY 4	Divert solid waste	52% diversion rate	75% diversion rate	90% diversion rate
	Methane capture from the landfill	75% of gas captured from the landfill	80% of gas captured from the landfill	90% of gas captured from the landfill
	Methane capture from wastewater treatment	71% of gas captured from the wastewater treatment facility	N/A	98% of gas captures from the wastewater treatment facility
STRATEGY 5	Increase urban tree canopy cover	7% tree canopy cover citywide	15% tree canopy cover citywide	35% tree canopy cover citywide

Audit Objectives

- Determine whether internal controls can be strengthened to ensure successful implementation of the City's Climate Action Plan, including review of:
 - 1) Whether additional policies and procedures could improve oversight and coordination between the Sustainability Department and other City departments;
 - 2) How Climate Action Plan Annual Reports are used by City departments and leaders to drive decision-making and tailor strategies going forward; and
 - 3) Whether the Sustainability Department, relevant City departments, and/or a third-party perform some form of cost or benefit analyses for implementation measures.

Finding 1: The City can strengthen its oversight mechanisms to ensure City departments stay on track to implement CAP actions, and can better inform key decisionmakers of implementation progress.

Exhibit 6

The City lacks many mechanisms that can help ensure CAP implementation.

Mechanisms to Ensure CAP Implementation	City of San Diego
Authority & Accountability	✗
Formal Departmental CAP Liaisons with Responsibility for CAP Implementation	✓*
Forum for Interdepartmental Collaboration	✓**
Annual Proactive Planning at Department-level	✗
Informing Key Decisionmakers of Annual Workplans	✗
Monitoring & Reporting	✓
Informing Key Decisionmakers of CAP Implementation Status	✓***

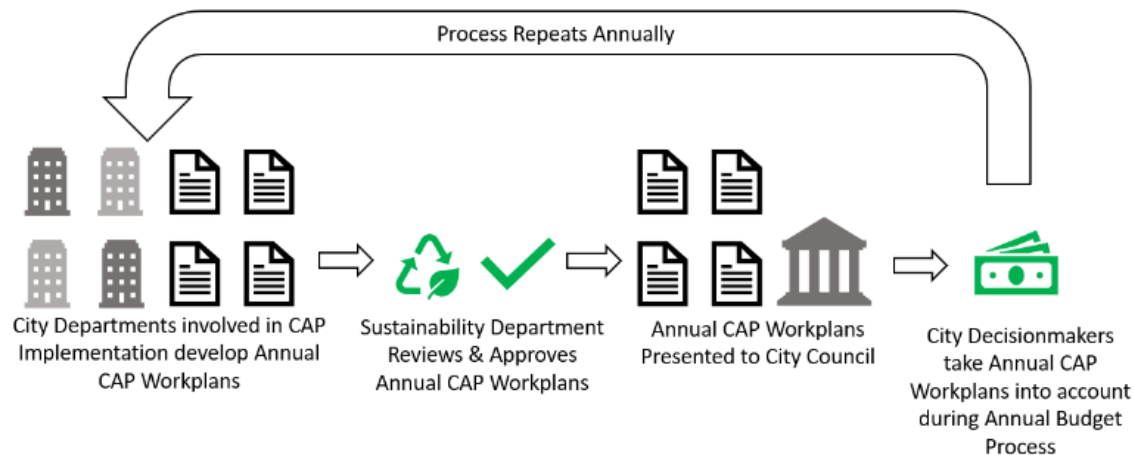
Source: OCA generated based on interviews with Sustainability and CAP-related City Departments, survey of City Council Offices, and review of the Climate Action Plan.

- Sustainability does not have authority or mechanisms to hold departments accountable for CAP implementation.
- CAP-related departments are not required to have formally assigned staff for CAP implementation.
- Sustainability has primarily focused on reporting on the City's CAP implementation progress rather than on ensuring its implementation.

Finding 1: The City Should Require Annual Workplans

Exhibit 9

An ideal approach to CAP implementation would include City departments developing annual CAP workplans that are presented to the City Council and can be considered by City decisionmakers during the annual budget process.



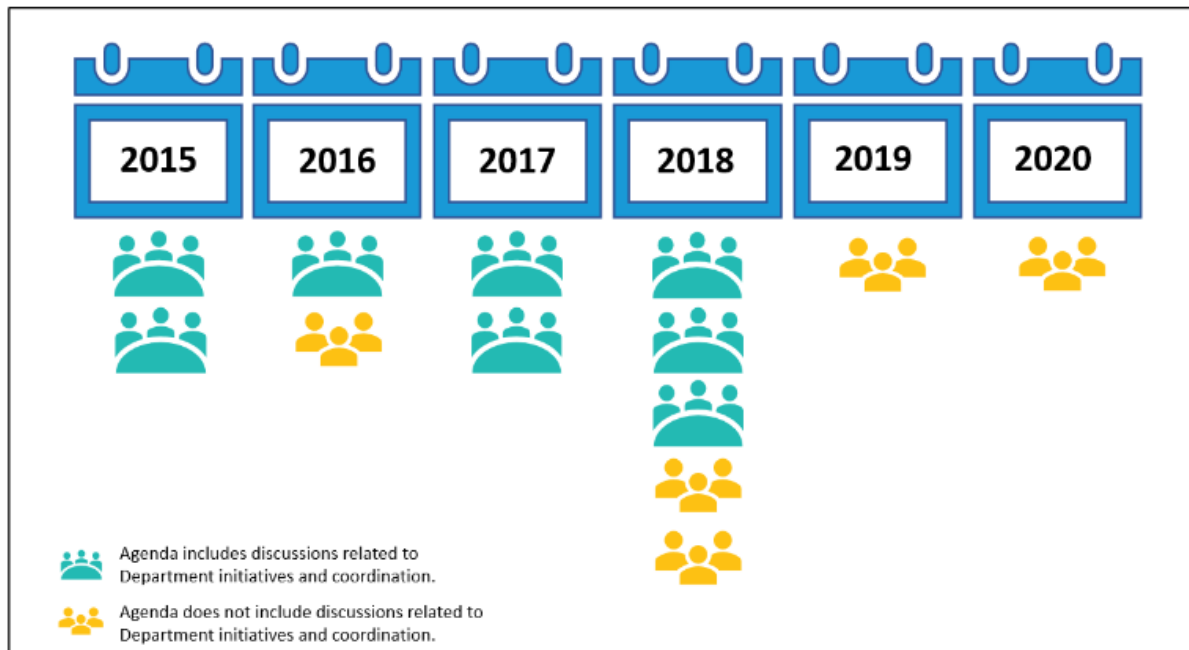
Source: OCA generated based on benchmarking with other cities, interviews with the Sustainability Department, and the results of our survey of City Council Offices.

- CAP-related departments are not required to proactively plan for CAP implementation.
 - Other municipalities require departments to provide annual workplans.
- Sustainability should review and approve departmental CAP workplans.
- Departmental CAP workplans should be presented to the City Council in time for City decisionmakers to take into consideration in the annual budget.

Finding 1: Sustainability Roundtable Meetings

Exhibit 8

The City has not held Sustainability Roundtable meetings consistently and some meeting Agendas did not indicate discussions of CAP departmental initiatives or coordination.



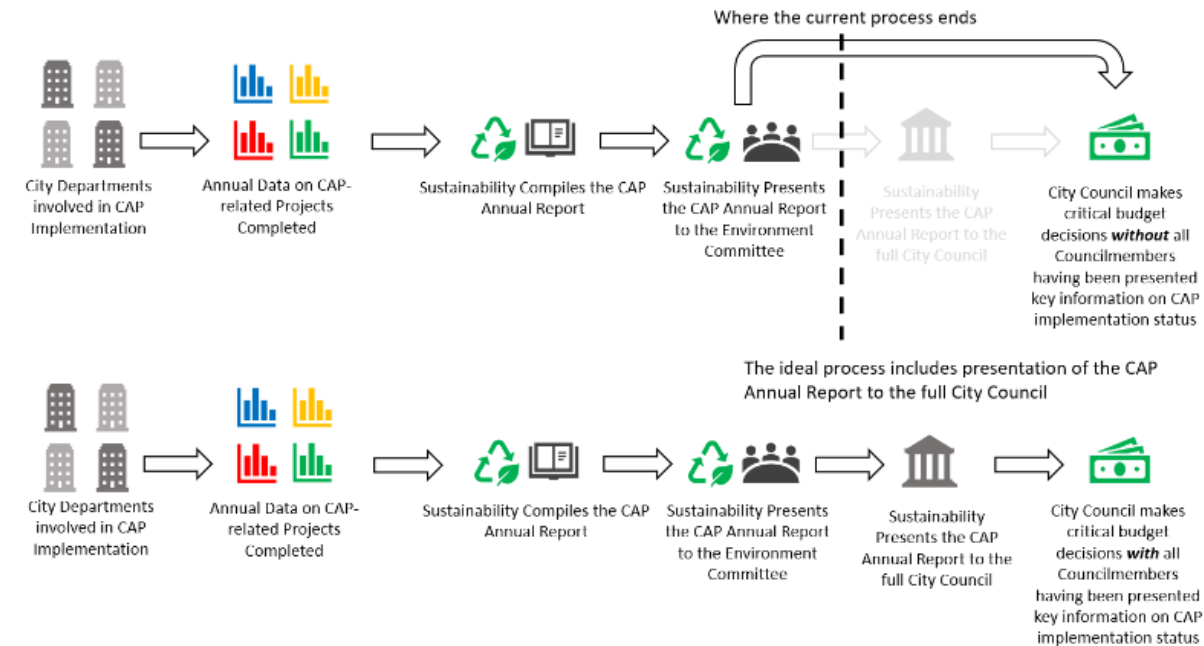
Source: OCA generated based on review of Sustainability Roundtable meeting Agendas.

- Sustainability Roundtable meetings can be used more effectively as a forum for additional coordination and collaboration.
- The majority of Sustainability Roundtable meetings were held prior to the establishment of the Sustainability Department.
- Only one meeting was held in 2019 and only one meeting was held in 2020.
- Some Agendas did not indicate planned discussions of departmental initiatives or collaboration and coordination.

Finding 1: Informing the City Council

Exhibit 10

The CAP Annual Report is only presented to the Environment Committee as an informational item, and not to the full City Council.



Source: OCA generated based on interviews with the Sustainability Department and various City departments, and review of Environment Committee meetings.

- City Council does not have dedicated opportunities for holding departments and Sustainability accountable for CAP implementation.
- Most City Council Offices indicated desire to receive additional information regarding CAP implementation.
- City Council Staff Reports do not contain information on how an item may help to implement or support the CAP.

Finding 1 Recommendations

1. Adopt an **Administrative Regulation** that requires:

- CAP-related departments to provide **CAP workplans** and request to docket for presentation for the full City Council;
- **Formal CAP roles** within each CAP-related department;
- Request to docket CAP Annual Reports for **presentation to the full City Council**.

2. Complete a **staffing analysis** of the Sustainability Department and present it to the Environment Committee.

3. **More frequent** Sustainability Roundtable meetings with **time dedicated** for collaboration and coordination.

4. Revise the **Staff Report template** to include how an item helps to implement or support the CAP.

Finding 2: The City can improve its fiscal planning efforts for CAP implementation by developing a prioritization mechanism and estimating costs.

- Cities should prioritize actions and determine the costs and resources needed to implement their climate action plans.
- Despite the need for resource efficiency, the CAP does not include a prioritization mechanism for implementation of specific CAP measures.
- Cost-benefit analyses for CAP implementation are difficult to complete and have limitations.
- Other municipalities have developed CAP prioritization scorecards.

Exhibit 15

Example of San Francisco's Rating System

TRANSIT

Long-Term Strategies:

Long-Term Strategies:		GHG REDUCTION POTENTIAL	CO-BENEFITS				COST
TRA-1	Maintain and expand local and rapid transit service and make system improvements that increases safety, reliability and accessibility.						
TRA-2	Expand regional transit core capacity to accommodate growth and encourage mode shift to transit, walking and bicycling.						
TRA-3	Secure Cap and Trade and other grant funds that can support fleet expansion, storage and maintenance needs that will help accommodate future growth and ridership demands.						

LEGEND

Potential to reduce greenhouse gas emissions

Potential to advance equity

Potential to improve public health

Consistent with Transit First Policy

Potential to support jobs and prosperity

Initial Capital Cost (public)

LEGEND

⬇️	Potential to reduce greenhouse gas emissions	⚖️	Potential to advance equity	❤️	Potential to improve public health	🌱	Consistent with Transit First Policy	🔧	Potential to support jobs and prosperity	\$	Initial Capital Cost (public)
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Source: San Francisco Transportation Sector Climate Action Strategy.

Finding 2: Estimating Costs

- Estimating implementation costs is important to help the City adequately plan and budget for significant long-term CAP implementation costs.
- Despite attempts, the City has not yet developed a fiscal planning document to project the future costs of implementing the actions necessary to meet CAP targets.
- CAP implementation cost estimates would need to be based on implementation plans, but these plans do not currently exist.
- The Sustainability Department would likely require additional assistance or staffing and would need to wait until CAP 2.0 is completed to develop implementation cost estimates.

Finding 2 Recommendations

5. Sustainability should conduct an assessment and develop a **rating system** of CAP measures, using factors such as cost estimates, staff resources, feasibility, GHG reductions, climate equity, and other benefits to help **inform prioritization**.
6. Sustainability should develop an **implementation plan**, including an estimate of associated **costs**, information on **funding sources**, and identification of **funding gaps**.

Conclusion

- We issued a total of six recommendations to help improve the City's implementation of the Climate Action Plan; the Sustainability Department and City Administration agreed to implement all six recommendations.